

**Effective 30 April 2003**

**Nonappropriated Funds and Related Activities**

**Unit Morale Support Funds Accounting Policies and Procedures**

For the Commander:

WANDA E. WILSON  
*Colonel, GS*  
*Chief of Staff*

Official:

ROGER H. BALABAN  
*Chief, Information Officer*

**History.** This UPDATE revises USAREC Reg 230-4, which is effective 30 April 2003.

**Summary.** This regulation establishes accounting policies, procedures, and responsibilities for management of unit funds.

**Applicability.** This regulation is applicable to

all elements of the United States Army Recruiting Command designated as isolated units that maintain their own unit fund accounting records.

**Proponent and exception authority.** The proponent of this regulation is the Director for Personnel. The proponent has the authority to approve exceptions to this regulation that are consistent with controlling law and regulation. Proponent may delegate the approval authority, in writing, to a division chief within the proponent agency in the grade of lieutenant colonel or civilian equivalent.

**Army management control process.** This regulation contains management control provisions in accordance with AR 11-2 but does not identify key management controls that must be evaluated.

**Supplementation.** Supplementation of this regulation is prohibited.

**Suggested improvements.** Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to HQ USAREC (RCPER-HR-SF), 1307 3rd Avenue, Fort Knox, KY 40121-2726.

**Distribution.** Distribution of this regulation has been made in accordance with USAREC Pam 25-30, distribution C. This regulation is published in the Recruiting Brigade and Battalion Operations UPDATE. This regulation is also available on the USAREC Intranet Homepage at <http://home.usarec.army.mil>.

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**Glossary**

**1. Purpose**

This regulation establishes accounting policies, procedures, and responsibilities for management of unit funds.

**2. References**

For required and related publications and prescribed and referenced forms see appendix A.

**3. Explanation of abbreviations and terms**

Abbreviations and special terms used in this regulation are explained in the glossary.

**4. Policy**

a. Nonappropriated fund support to unit activities.

(1) Dividends will be paid directly to isolated units by the nearest supporting installation morale welfare recreation fund (IMWRF). Such dividends will be as described annually in appropriate Department of the Army direc-

tives based upon the unit's average monthly strength.

(2) An isolated unit may be provided grants from the morale, welfare, and recreation (MWR) fund of the major command exercising jurisdiction over the supporting IMWRF responsible for distribution of dividends to the isolated unit.

(3) Where members of isolated units are able to participate in some MWR programs of a nearby installation, an agreement may be made between the isolated unit and the installation commander, whereby, isolated unit funds will reimburse the IMWRF for such participation.

b. Authorized use of unit funds. Expenditures will be made for the purchase of goods and services primarily for the collective benefit of all members, their family members, and authorized civilians. The following list contains some of the more common expenditures from unit funds; however, this list is not all inclusive:

(1) Food items, charcoal, beverages, rental of recreational equipment, and condiments for a picnic.

(2) Hotel and club catered services.

(3) Entertainment (band and disc jockey) services.

(4) Competitive awards of cash, savings bonds, or property (e.g., trophies, beer mugs, and jewelry accessories) of equivalent value may be authorized for military personnel, their family members, and civilian employees for proficiency in competitive events and recreational programs under the following conditions:

(a) Appropriated funds are not authorized

or available for awards (AR 600-8-22 and AR 672-20).

(b) Events for which prizes or trophies are awarded must be competitive, officially announced in advance, and conducted within a stated period of time.

(c) All members or individuals supported by the fund will be given an equal opportunity to participate.

(5) Sports uniforms may be purchased. All members supported by the fund must be afforded the opportunity to try out for the team concerned. Uniforms purchased for sport events must be documented as unit fund property and properly annotated on DA Form 4078 (Property Control and Depreciation Record).

(6) Floral arrangements for military members in a hospital or deceased. Arrangements must be from the entire unit and not a specific individual or small group within the unit (e.g., from the officers of the command).

(7) Bank service charges.

c. Prohibited use of unit funds. Expenditures will not be made from unit funds for the following:

(1) Acquiring items or services authorized to be paid from appropriated funds.

(2) Purchasing departure gifts.

(3) Purchases which may generate questions concerning conflict of interest or standards of conduct as prescribed in DOD 5500.7-R.

(4) Purchases which are sole benefit to private individuals, organizations, and associations.

(5) Change and petty cash funds within unit

\*This regulation supersedes USAREC Regulation 230-4, 28 January 1988.

funds are not authorized in the United States Army Recruiting Command (USAREC). All unit funds will be deposited in a federally insured bank or credit union.

d. Approval of expenditures. The unit fund council, as defined in the glossary, governs and directs the operation of unit funds. All expenditures made from the fund must have prior approval from the unit fund council.

(1) Even though expenditures from the fund should be primarily for the collective benefit of all military personnel, the unit fund council may allow family members and authorized civilians to attend unit fund events at no cost, donations-in-kind, or pro rata share basis.

(2) Funding availability should be a key factor in making the decision as to which method will be used for family members and authorized civilians.

e. Council meetings. The unit fund council will meet at least once per quarter. The council will be chaired by the unit fund president. (This is normally the recruiting battalion (Rctg Bn) executive officer.) Meetings should be conducted informally and may be telephonic, or in emergency situations, members can vote by e-mail, but all decisions must be recorded accurately in the minutes.

## 5. Procedures

a. Strength computation. The average number of military personnel, computed in accordance with (1) and (2) below, provides the basis for dividends distributed to unit funds from the supporting IMWRF.

(1) Active Army unit dividend payment requests will be made to the unit's coordinating installation (CI) four times per year following the end of each quarter and contain the actual strength of the unit broken out by month. Dividend requests should arrive at the CI by the 20th calendar day of the first month of each quarter for the prior quarter's strength. For example, an isolated unit funds unit must submit a request for the period of October, November, and December 2002 to their CI by 20 January 2003.

(2) Categories of personnel reported in the strength computations are:

(a) Assigned Army personnel. The aggregate of commissioned officers, warrant officers, and enlisted personnel assigned to a unit.

(b) Attached Army personnel. The total number of Army personnel attached for rations and/or administration only, and personnel awaiting personnel actions (other than those in absent status due to arrest and confinement, absent without leave, and missing). This category includes Army National Guard and United States Army Reserve personnel on initial active duty for training for Army National Guard or United States Army Reserve under the Special Reserve Component Program and initial active duty for training in excess of 2 weeks (i.e., 15 days) with a unit.

b. Records and forms. Basic records and forms will be established and maintained in accordance with AR 25-400-2 to support unit fund transactions.

(1) Unit fund minutes. Rctg Bn letterhead stationery will be used to record the minutes (see fig 1). As a minimum, the minutes must contain the following:

(a) Time, date, and place the meeting was held.

(b) List of members present and absent.

(c) Review of financial statement information (i.e., total expenditures, dividends received, current balance, etc.).

(d) Reading and approving minutes from the previous council meeting.

(e) Discussion of old business.

(f) Discussion of new business.

(g) Time meeting was adjourned.

(h) All motions must be made by voting members. The names of individuals who made and seconded motions must be identified in the minutes, as well as statements of whether the motions were carried. Additionally, each allocation of funds in the minutes must describe the purpose of the allocation and include an upward dollar limitation for particular functions and events.

(i) Minutes must be signed by the unit fund president and the custodian. The custodian will be an officer or noncommissioned officer in the grade of sergeant first class or above. Civilians are not authorized to be unit fund custodians. Additionally, the minutes must be reviewed and approved or disapproved by the Rctg Bn commander. (The Rctg Bn commander normally prepares an endorsement to the minutes or places his or her signature directly on the minutes.)

(2) DA Form 2107 (Nonappropriated Fund Receipt and Disbursement Voucher) will be used to support all receipts and disbursements by unit funds (figs 2, 3, and 4). DA Forms 2107 will be numbered consecutively on a fiscal year (FY) basis (1 October through 30 September). The first and second digit will refer to the FY and the third digit will refer to the number in sequence as used, whether the action is a receipt or a disbursement. For example, vouchers for FY 03 will be numbered 03-1, 03-2, 03-3, etc. Each DA Form 2107 prepared will be numbered and dated, and must contain all data required to fully identify the transaction.

(a) Cash and checks received. These are credits to the unit fund account such as dividend checks from the IMWRF, money returned to the fund due to nonuse or overestimates, returned checks due to the function or event being canceled because of inclement weather, and collection of pro rata shares from nonmembers, if applicable (see sample at fig 2).

1. Fill in the voucher number, name of the unit fund, and date. Describe what has been received, such as dividends from the IMWRF or money returned to the unit fund from the annual Rctg Bn picnic, etc.

2. Record the amount received in the RECEIVED column next to the DESCRIPTION column, and next to the TOTAL and NET columns at the bottom of the form. Additionally, the custodian must type in his or her name and sign the bottom of the form.

3. Make an entry on USAREC Form 897

(Cash, Property, and Reconciliation Record (CPRR)). See (3) below for recording receipts on USAREC Form 897.

4. Deposit all cash and checks received into the unit fund's bank or credit union account as soon as possible (within 24 working hours is considered reasonable).

5. Attach the deposit slip to DA Form 2107 as the supporting document.

6. Post the amount of credit to the checkbook balance by placing the date, purpose, and adding the amount of deposits to the balance on the checkbook stub.

(b) Disbursements. These are debits to the unit fund account for payments of goods or services purchased (see fig 3).

1. Use a check for each payment. The custodian will prepare the check in full. (DO NOT issue a blank check or a check made to cash or a unit.) Post the amount of the debit to the checkbook balance by placing the date, purpose, and subtracting the amount of the payment from the balance on the checkbook stub. Keep a running balance in the checkbook. The use of whiteout, pencil, or other marking is prohibited on the checkbook tab or ledger.

2. Fill in the voucher number, name of the unit fund, and date. Describe the purpose of the disbursement, to include the area hosting the function or event; location of the function or event; what items or services are to be or were purchased; payee's name; number of members and nonmembers (if applicable) participating in the function or event; and also cite the date of the council meeting minutes for which the disbursement was allocated and approved by the council.

3. Record the amount disbursed in the iPAID column next to the iDESCRIPTION column, and next to the iTOTAL and iNET columns at the bottom of the form. Put the check number in the iPAID BY CHECK NO column. Additionally, the custodian must type in his or her name and sign the bottom of the form. All signatures will be in pen.

4. Attach supporting documentation (i.e., invoices, bills, and receipts) to the applicable DA Form 2107. Receipts for each expenditure should agree with the corresponding amount on the DA Form 2107. When the receipts do not agree with the corresponding amount on the DA Form 2107, provide an explanatory remark on the DA Form 2107 to explain the difference. Do not use pencil to complete any forms.

5. Make an entry on USAREC Form 897. See (3) below for recording payments on USAREC Form 897.

6. All disbursements from unit funds must be approved by the council prior to disbursement. The custodian must maintain the approved council minutes and justify the payments by making reference to the appropriate minutes on DA Form 2107.

7. Several financial organizations charge monthly fees for services provided. Service charges are authorized expenditures from unit funds. The bank or credit union will debit the amount of service charges to the unit fund ac-

count on the bank statement. Post the amount of the debit to the checkbook balance by placing the date and purpose, and subtracting the amount of the payment from the balance on the checkbook stub; complete DA Form 2107 in accordance with the sample provided at figure 4; and make an entry on USAREC Form 897.

NOTE: The bank statement is the receipt for payment of service charges.

(3) USAREC Form 897 (fig 5) is the primary official record of unit fund management and administration. All transactions affecting the unit fund will be recorded on this form and supported by DA Form 2107. USAREC Form 897 will also be used to show the required monthly reconciliation of the bank statement and fund-owned property. Unit fund custodians will maintain a diary of unit fund transactions as they occur on USAREC Form 897.

(a) Fill in the name of the unit fund in the space marked **UNIT**. Under the **DATE** column put the first day of the month, and enter the checkbook balance under the **CHECKBOOK BALANCE** column, and the property balance under the **PROPERTY BALANCE** column from the previous month (balance forward).

(b) Make an entry for each DA Form 2107 with the date of the DA Form 2107 being the date of entry. Describe the entry in the **EXPLANATION** column for each DA Form 2107. Enter the applicable voucher number in the **REF** column, and then enter the amount in the **RECEIPTS** or **EXPENDITURES** column, depending on the nature of the transaction.

(c) Keep a running balance in the **CHECKBOOK BALANCE** column after each transaction. (Receipts are added to and expenditures are subtracted from the **CHECKBOOK BALANCE**.)

(d) Property transactions will be entered on USAREC Form 897 to maintain control for cash purchases of property; cash sales of excess or worn out property, transfers and gifts from other units or other sources; and disposals to the property salvage officer. Property will be recorded on DA Form 4078 (fig 6). When cash is involved in property transactions, entries will be made in the **RECEIPTS** or **EXPENDITURES** column (depending on the nature of the transaction) and the **PROPERTY BALANCE** column. NOTE: A sale, lateral transfer, statement of droppage for fair wear and tear, or turn-in to the property disposal office is indicated by placing the amount in parenthesis in the **ACQUISITION COST OR VALUE** column.

(e) Total the columns at the end of the month. Each month's property records maintained on DA Form 4078 will be reconciled with the balance shown in the **PROPERTY BALANCE** column of USAREC Form 897. The cost value of all property items purchased with unit funds or otherwise acquired by the unit (excluding Government property) will be summarized from DA Form 4078.

(f) Upon receipt of the bank statement, it will be reconciled against USAREC Form 897. Make a reconciliation between the bank statement and

USAREC Form 897 as shown at figure 5. Enter the balance per bank statement, plus deposits made but not reflected on the bank statement, and outstanding checks on USAREC Form 897. The balance per bank statement, plus deposits made but not reflected on the bank statement, minus outstanding checks should equal the balance reflected in the checkbook.

(4) Checking account. A checking or share draft account in a bank insured by the Federal Deposit Insurance Corporation or the Federal Credit Union Association is essential for safeguarding unit funds.

NOTE: Unit funds cannot deposit dollars into a savings account unless granted a waiver from Headquarters, Department of the Army. However, interest bearing checking accounts are authorized.

(a) The account number must be in the name of the unit fund and contain the statement, **An instrumentality of the United States**. For example, **Chicago Battalion Unit Fund, An Instrumentality of the United States**. The account will not be in the name of the unit fund custodian.

(b) The bank must be provided signature cards for both the custodian and assistant custodian.

(c) Unit fund checks will be signed by the custodian. The assistant custodian may sign checks ONLY when the custodian will not be present for duty for an extended period of time. Under no circumstances, except for the above, will anyone other than the custodian be the primary signatory on unit fund checks. Counter-signature by one other responsible official (assistant custodian), designated in writing by the Rctg Bn commander, is required for checks written in the amount of \$2,500 or more.

(5) Checkbook maintenance. The checkbook used by the unit fund must have prenumbered checks.

(a) Checks must be used in numerical sequence and a running balance must be maintained. Checks issued to payees must be completely filled out by the custodian. Blank or incomplete checks will not be given to vendors or payees. The checkbook will be secured in a lockable cabinet or desk, or in a locked, immovable safe when not in use.

(b) Ruined or voided checks will also be maintained. To ensure such checks are not used, the word **VOID** will be written across the front of the checks and rendered not negotiable by cutting out the signature block in the lower right-hand corner.

(c) Bank statements must be reconciled with the USAREC Form 897 as mentioned in (3)(f) above. The checkbook balance must agree with the bank balance upon reconciliation.

(6) Change of custodians. Unit funds will be audited prior to a change in custodian. The audit must be conducted by a disinterested officer (not the Rctg Bn commander, council president, or fund custodian) using USAREC Form 899 (Unit Fund Receipts, Expenditures, and Property Record) provided at figure 7. The outgoing unit fund custodian will notify the servicing bank

of the change in custodian. A letter resembling the sample at figure 8 will be sent to the bank. This letter will be signed by the outgoing custodian, the successor, and the assistant (if applicable).

c. State and local taxes. As instrumentalities of the United States, all Department of Defense nonappropriated fund instrumentalities are entitled to the same immunity from taxes of states, the District of Columbia, and possessions of the United States, Puerto Rico, and political subdivisions thereof, as is the United States. In order to present taxing authorities with evidence suitable to establish exemption from imposition on direct purchases made by the unit funds in a particular jurisdiction, contact the local tax commission office in your area. SF 1094 (US Tax Exemption Certificate) is used where required to present taxing authorities with evidence suitable to establish exemption from tax. SF 1094 provides instructions on the back of the form. This form was modified by the condition that the form and exemption are applicable only when the amount of the tax imposed on a purchase is \$10 or more.

d. Audits and inspections. The application of prescribed policies and accounting procedures should always be examined during unit fund audits and inspections.

(1) As mentioned in b(6) above, an audit must be conducted by a disinterested officer prior to change in custodians. This audit will be made a permanent part of the unit fund records.

(2) The unit fund president will conduct an inspection of the unit fund every 6 months using USAREC Form 900 (Unit Fund Internal Control Checklist) (see fig 9). This checklist will be made a permanent part of the unit fund records and dated.

(3) Recruiting brigades (Rctg Bdes) will conduct an annual inspection of each of their Rctg Bns' unit funds. Rctg Bde commanders must decide which staff element within the Rctg Bde will be responsible for conducting the annual inspection (i.e., S1, comptroller, or part of the command and logistics inspection).

(4) Unit funds will be inspected by the USAREC Inspector General during their scheduled visits.

(5) If fraud, gross mismanagement, wrongdoing, or misconduct are detected while reviewing unit fund operations, submit a serious incident report in accordance with AR 190-40.

e. Internal control procedures. Required internal control procedures may vary from one Rctg Bn to another; however, the principle internal control procedures are to:

(1) Define individual responsibilities.

(2) Use checks and balances to ensure that accounting procedures are being followed.

(3) Ensure that no single person has complete control over unit fund transactions.

f. Budget. A formal budget for unit funds is not required since dividends are distributed from the supporting IMWRF based upon the military personnel strength computations. Nevertheless, all unit fund councils are encouraged to infor-

mally plan expenditures.

g. Reporting. The unit fund custodian will maintain USAREC Form 897 on a daily basis. At the end of each month, columns will be totaled. An information copy will be forwarded to the supporting IMWRF, if required.

h. Files. Documentation and records pertaining to unit funds will be maintained by FY in a three-ring binder. Figure 10 illustrates how unit fund documentation and records should be organized in a binder. Files should be cut off at the end of the FY, maintained for 3 additional years, then destroyed.

i. Commingling of funds. Unit fund dividends will not be commingled, combined, or mixed with other funds for any purpose.

j. Grants. The average number of military personnel, computed in accordance with a above, provides the basis for dividends distributed to unit funds from supporting IMWRF. However, when dividends are depleted, isolated units may be provided grants from the MWR fund of the major command exercising jurisdiction over the installation responsible for distribution of dividends to the isolated unit. Procedures for requesting grants may vary depending on the major command or supporting IMWRF requirements. Contact your supporting IMWRF for procedures on submitting requests for grants. In the absence of procedures from the major command or supporting IMWRF, requests for grants will be made in memorandum format and contain the information indicated on the sample memorandum provided at figure 11.

## 6. Responsibilities

a. Headquarters, United States Army Recruiting Command:

(1) Human Resources Division, Soldier and Family Assistance Branch, Personnel Directorate, is responsible for:

(a) Evaluating the overall unit fund program within USAREC.

(b) Providing procedural guidance related to unit funds.

(2) The Inspector General is responsible for inspecting Rctg Bn unit fund records in conjunction with their scheduled visits.

b. Rctg Bde commanders are responsible for appointing one of their staff elements to be responsible for conducting annual inspections of Rctg Bns (see para 5d(3)).

c. Rctg Bn commanders are responsible for:

(1) Monitoring the unit fund program within their area of responsibility.

(2) Appointment of the unit fund president, custodian, assistant custodian, recorder, and council members in writing. Council members must be soldiers assigned to the unit.

(3) Reviewing and approving or disapproving (by endorsement or placing his or her signature directly on the minutes) unit fund council meeting minutes.

(4) Administering internal control procedures (para 5e).

(5) Approving expenditures in accordance with paragraph 4d.

d. Unit fund custodians are responsible for:

(1) Serving on the council as a nonvoting member.

(2) Coordinating and scheduling unit fund council meetings.

(3) Maintaining and signing unit fund council meeting minutes.

(4) Performing all required accounting functions related to unit funds, which include maintaining and preparing documentation and records in support of unit fund transactions related to this regulation and other unit fund regulations.

e. Assistant unit fund custodians are responsible for carrying out the responsibilities of the custodians in their absence.

f. Recorders are responsible for:

(1) Securing agenda items for the unit fund council from the members and custodians.

(2) Recording membership attendance and actions taken at unit fund council meetings.

(3) Preparing the minutes of unit fund meetings and submitting them to the president and custodian for signature. After the president and custodian have signed the minutes, forward them to the Rctg Bn commander for review and approval or disapproval.

(4) Distributing copies of the minutes to council members after they have been reviewed and approved or disapproved by the Rctg Bn commander.

g. Unit fund council. The council will meet at least once per quarter. Decisions of the council are governed by the votes of a majority (at least 51 percent of all council members). Council members must be representatives of the command and not just the chain of command. The members of the council are responsible for:

(1) Representing the members for whom the unit fund was established.

(2) Requiring estimates prior to allocating unit fund money for functions and events. Each allocation of funds in the council minutes must describe the item(s) and service(s) to be purchased and an upward dollar limitation must be established by the council. In order to accomplish this task, council members may consider (although not required) the use of the sample at figure 12 (request for unit funds) prior to allocating funds. This request should be submitted to the council prior to or during council meetings for approval and be made a part of the minutes.

(3) Reviewing minutes from the previous council meeting, financial statements, inventories, and reports of audits and inspections.

(4) Recommending, as appropriate, how the funds could be used for the collective benefits of the members, their families, and authorized civilians.

h. Unit fund presidents are responsible for:

(1) Presiding over the council meetings and ensuring that they are conducted in accordance with AR 215-1, paragraphs 5-9 and 5-10.

(2) Assisting Rctg Bn commanders in monitoring the unit fund program within their area of responsibility.

(3) Conducting an inspection of funds every 6 months in accordance with paragraph 5d(2).



OFFICE SYMBOL (MARKS Number)

Date

MEMORANDUM FOR Commander, US Army Chicago Recruiting Battalion,  
Fort Sheridan, IL 60037-7000

SUBJECT: Minutes of US Army Chicago Recruiting Battalion Unit Fund  
Meeting, First Quarter, FY 03

1. A meeting of the Chicago Recruiting Battalion Unit Fund Council was called to order by the president at 1400, 15 October 2002, in the conference room.

2. Attendance.

a. Members present:

- (1) MAJ Smith, President
- (2) CPT Washington, Custodian
- (3) MSG Ronald, Member
- (4) SFC Walker, Member
- (5) SFC Ford, Member
- (6) 1LT James, Member

b. Members absent:

- (1) SFC Strong
- (2) SFC Taylor

3. The minutes of the last meeting held on 2 July 2002, were read; a motion was made by SFC Walker and seconded by 1LT James to accept the minutes as read. The council approved the motion.

4. The cash, property, and reconciliation records for the months of July, August, and September were reviewed; a motion was made by SFC Ford and seconded by MSG Ronald to accept the financial statements as written. The council approved the motion.

5. Old business. MSG Ronald reported on the final cost of the picnic held on 7 July 2002. Total expenditures for the picnic were \$572.28. The council allocated \$575 for the picnic; the remaining \$2.72 was returned to the unit fund custodian.

Figure 1. Sample unit fund council meeting minutes

6. New business.

a. 1LT James discussed the fact that he had sent out flyers to find out how many members desired to have a Christmas party at the recruiting battalion headquarters in Chicago. He stated that he had received 40 replies indicating the desire to have a Christmas party, and 10 members indicated that their spouses would also attend the party. CPT Washington stated that he had checked with the manager of the Service Club and found out that the club would reserve the ballroom from 1900 through 2400, 28 December 2002. The cost of reserving that room would be \$50. The club could also provide a buffet dinner that includes roast beef, mashed potatoes, mixed vegetables, green salad, dessert, and one glass of wine for \$15 per person. CPT Washington also stated that he had checked with several local disc jockeys for providing music after dinner and found that the going rate was \$30 per hour. In summary, the total cost for the Christmas party would be as follows:

Food and beverages.....	\$750.00
Rental of ballroom at Service Club .....	\$ 50.00
Disc jockey .....	<u>\$120.00</u>
Total	\$920.00

b. MSG Ronald moved to have a Christmas party on 28 December 2002, and that unit funds be allocated not to exceed \$920 to cover the cost for 40 military personnel and 10 family member dinners, rental of the ballroom at the Service Club, plus the cost of the disc jockey. SFC Ford seconded the motion and the council approved it.

7. There being no further business, SFC Walker moved the meeting be adjourned. The motion was seconded by 1LT James, the council approved, and the meeting was adjourned at 1450.

TOMMY L. SMITH  
MAJ, FA  
President

ROGER WASHINGTON  
CPT, AG  
Custodian

APPROVED:

MELVIN V. JONES  
LTC, IN  
Commanding

DISTRIBUTION:  
1 - ea member

<b>NONAPPROPRIATED FUND RECEIPT AND DISBURSEMENT VOUCHER</b> <small>For use of this form, see AR 215-5; the proponent agency is USAFAC.</small>				VOUCHER NO.  03-1	
NAME OF FUND				DATE	
Chicago Battalion Unit Fund, An Instrumentality of the United States				2 Oct 02	
DESCRIPTION	UNIT	AMOUNT			
		RECEIVED		PAID*	
Dividends for the months of August and September 2002. (Dividend check no.		616	30		
426347, dated 28 Sep 02, was received from the supporting IMWRF on 1 Oct					
02, and deposited to the bank on 2 Oct 02.)					
Money returned from MSG Ronald for the picnic held on 7 Jul 02. (Check no.		2	72		
436, dated 6 Jul 02, was issued in the amount of \$575) (See voucher no. 02-25);					
however, total expenditures for the picnic were \$572.28.)					
NOTE: The deposit slips from the bank will be used as the supporting					
documentation.					
<i>TOTAL</i>		619	02		
<i>LESS DISCOUNT</i>					
NET		619	02		
*PAID BY CHECK NO. N/A      DATED 2 Oct 02		CHECK APPLICABLE BOX <input type="checkbox"/> AUTHORIZED FOR PAYMENT <input checked="" type="checkbox"/> AUTHORIZED FOR RECEIPT			
TYPED NAME, GRADE, AND TITLE OF CUSTODIAN		SIGNATURE OF CUSTODIAN			
ROGER WASHINGTON, CPT					

DA FORM 2107, MAY 58

USAPPC V1.00

Figure 2. Sample of a completed DA Form 2107





<b>NONAPPROPRIATED FUND</b> <b>RECEIPT AND DISBURSEMENT VOUCHER</b> For use of this form, see AR 215-5; the proponent agency is USAFAC.				VOUCHER NO. 03-3	
NAME OF FUND Chicago Battalion Unit Fund, An Instrumentality of the United States				DATE 9 Oct 02	
DESCRIPTION	UNIT	AMOUNT			
		RECEIVED		PAID*	
Bank service charge (see bank statement).				2	00
Prenumbered checks (see bank statement) approved by council in minutes				4	00
dated 2 Jul 02.					
NOTE: The bank statement will suffice as supporting documentation for					
bank debits.					
<i>TOTAL</i>				6	00
<i>LESS DISCOUNT</i>					
<i>NET</i>				6	00
*PAID BY CHECK NO. N/A      DATED 9 Oct 02		CHECK APPLICABLE BOX <input checked="" type="checkbox"/> AUTHORIZED FOR PAYMENT <input type="checkbox"/> AUTHORIZED FOR RECEIPT			
TYPED NAME, GRADE, AND TITLE OF CUSTODIAN ROGER WASHINGTON, CPT		SIGNATURE OF CUSTODIAN			

Figure 4. Sample of a completed DA Form 2107

<b>CASH, PROPERTY, AND RECONCILIATION RECORD (CPRR)</b> (For use of this form see USAREC Reg 230-4)							
UNIT: Chicago Recruiting Battalion		DAILY TRANSACTIONS					
DATE	EXPLANATION	REF	RECEIPTS	EXPEND-ITURES	<sup>1/</sup> CHECK-BOOK BALANCE	<sup>2/</sup> PROPERTY BALANCE	DA FORM 4078
1 Oct	Balance from previous month				500.00	2,500.00	
2 Oct	Dividends from IMWRF for August and September	03-1	616.30		1,116.30		
2 Oct	Refund to unit fund	03-1	2.72		1,119.02		
3 Oct	Evergreen Company Picnic	03-2		100.00	1,019.02		
9 Oct	Bank service charge	03-3		2.00	1,017.02		
9 Oct	Prenumbered checks ordered	03-3		4.00	1,013.02		
	Balance carried forward		619.02	106.00	1,013.02	2,500.00	2,500.00
BALANCE PER BANK STATEMENT: <u>1,113.02</u>  PLUS DEPOSITS MADE BUT NOT REFLECTED ON BANK STATEMENT: <u>-0-</u>  MINUS OUTSTANDING CHECKS: <u>100.00</u> (LIST CHECK NUMBERS AND AMOUNTS BELOW)   BANK BALANCE: <u><u>1,013.02</u></u> <sup>3/</sup>					AVERAGE STRENGTH REPORTED THIS MONTH (COMPUTED IAW AR 215-1, PARA 3-24): <u>26</u>		
DATE	NAME AND GRADE OF CUSTODIAN				SIGNATURE OF CUSTODIAN		
30 Oct 02	ROGER WASHINGTON, CPT				/signed/		

<sup>1/</sup> A running balance must be kept in the checkbook balance column (the amounts reflected must be the same as posted to the Unit Fund checkbook).

<sup>2/</sup> Each entry in the property balance column will be made on DA Form 4078 at cost and reconciled with DA Form 4078 column monthly.

<sup>3/</sup> The checkbook balance must be reconciled with the bank balance monthly.

**Figure 5. Sample of a completed USAREC Form 897**

For use of this form, see AR 215-5; the proponent agency is USAFAC.

USAPPC V1.00

11

## Unit Fund Receipts, Expenditures, and Property Record

(For use of this form see USAREC Reg 230-4)

### INSTRUCTIONS

1. In transferring the unit funds to a successor, the outgoing custodian will complete and sign the financial statement below and those statements required by USAREC Reg 230-4 concerning unit funds.
2. The incoming custodian will receipt for the fund by signing the statement below and those statements required by USAREC Reg 230-4 concerning unit funds.
3. An audit must be conducted prior to a change in custodians by a disinterested officer. The purpose of this audit is to verify the receipts, expenditures, and balance in the unit fund checking account. The disinterested officer will sign the statement below after the audit is completed.

### FINANCIAL STATEMENT OF OUTGOING CUSTODIAN

The account for the period 31 Oct 2002 is a true and complete statement of all receipts and expenditures, and the balance for which I am responsible is accounted for as follows:  
(DDMMYYYY)

1. Checking account deposited with 1st National Bank,  
to the credit of Chicago Recruiting Battalion Unit Fund: \$ 1,013.02.

2. Cash and/or check(s) in my possession to be deposited in bank: \$ -0-

TOTAL \$ 1,013.02

SIGNATURE OF OUTGOING CUSTODIAN:

/signed/

SIGNATURE OF SUCCESSOR CUSTODIAN:

/signed/

DATE:

1 Nov 02

### STATEMENT OF DISINTERESTED OFFICER

In accordance with the requirements of USAREC Reg 230-4, I have this date 1 Nov 2002  
audited the Chicago Battalion Unit Fund account for the period 1 Oct 2001  
to 31 Oct 2002 inclusive. The receipts, expenditures, checkbook, and bank statement  
balances were verified and found to be correct with the following exceptions:  
(DDMMYYYY) (DDMMYYYY)

PRINTED NAME:

JAMES H. DALLAS, CPT

SIGNATURE OF DISINTERESTED OFFICER:

/signed/

DATE:

1 Nov 02

Figure 7. Sample of a completed USAREC Form 899

(Appropriate Letterhead)  
(Civilian style date)

Recruiting Operations

Chanute Military Credit Union  
PO Box 1019  
Rantoul, Illinois 61866

I have, as of this date, transferred the unit fund of the Chicago Recruiting Battalion to Robert T. Schober, 1st Lieutenant, Infantry, who will, until replaced, have authority to draw on the funds deposited in your bank. His signature appears below.

\_\_\_\_\_  
SIGNATURE OF SUCCESSOR  
CUSTODIAN

\_\_\_\_\_  
ROGER WASHINGTON  
CPT, AG  
OUTGOING CUSTODIAN

\_\_\_\_\_  
SIGNATURE OF ASSISTANT  
CUSTODIAN

Figure 8. Sample letter of notification to bank for change in custodians

UNIT FUND INTERNAL CONTROL CHECKLIST (For use of this form see USAREC Reg 230-4)			
ITEM		YES	NO
1.	Are unit fund council members appointed on orders by the Rctg Bn commander? (Reference para 6c(2).)	X	
2.	Is the unit fund council representative of the command (i.e., not the chain of command)? (Reference para 6g.)	X	
3.	Has the unit fund council met at least once per quarter? (Reference paras 4e and 6g.)	X	
4.	Are unit fund expenditures specific and approved in the minutes, by the council, with a ceiling imposed? (Reference para 5b(1)(h).)	X	
5.	Are unit fund minutes signed by the custodian and president, reviewed, and approved or disapproved by the Rctg Bn commander? (Reference para 5b(1)(i).)	X	
6.	Are DA Forms 2107 prepared for each transaction and numbered consecutively on an FY basis? (Reference para 5b(2).)	X	
7.	Is each expenditure fully explained on DA Form 2107? (Reference para 5b(2).)	X	
8.	Are receipts attached to each DA Form 2107 to support each payment? (Reference para 5b(2)(b) 4.)	X	
9.	Do the receipts for each expenditure agree with the corresponding amount on the DA Form 2107? (If not, an explanatory remark should be provided on DA Form 2107.) (Reference para 5b(2)(b) 4.)	X	
10.	Is a running balance maintained in the unit fund checkbook? (Reference paras 5b(2)(a) 6 and 5b(2)(b) 1.)	X	
11.	Are checks voided by writing the word "VOID" across the front of the check and rendered nonnegotiable by cutting out the signature block? (Reference para 5b(5)(b).)	X	
12.	Has the unit fund paid sales tax? (Reference para 5c.)		X
13.	Are cash, property, and reconciliation record (CPRR), bank statement, and checkbook reconciled on a monthly basis? (Reference para 5b(3).)	X	
14.	Was the unit fund audited by a disinterested officer prior to the change of custodians? (Reference para 5b(6).)	X	
15.	Does the Rctg Bde conduct annual inspections of the Rctg Bn unit fund and document same? (Reference para 5d(3).)	X	

USAREC Form 900, Rev 1 Apr 2003

PREVIOUS EDITIONS ARE OBSOLETE

V2.00

Figure 9. Sample of a completed USAREC Form 900



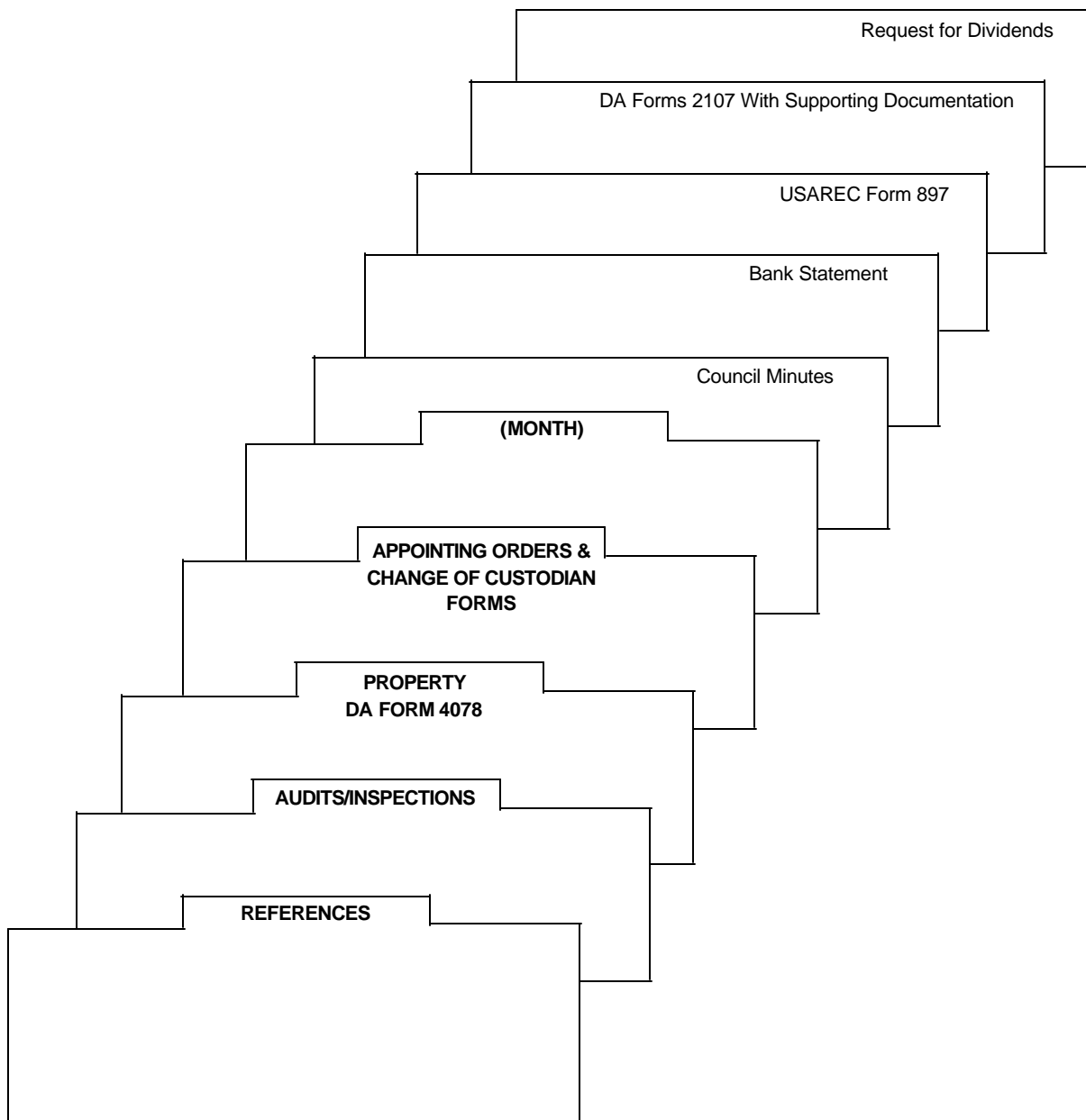


Figure 10. Sample of the organization of unit fund records

(Appropriate Letterhead)

OFFICE SYMBOL (MARKS Number)

Date

MEMORANDUM FOR (Appropriate Supporting Installation Morale Support Fund)

SUBJECT: Request for Grant From the Morale Support Fund

The Custodian of the Unit Fund, with the approval of the Battalion Commander and the Unit Fund Council, hereby applies to the supporting installation morale support fund for a grant. The following information is submitted in connection with the request:

- a. Name of fund: Chicago Battalion Unit Fund
- b. Average strength (computed in accordance with AR 215-1, para 5-14):  
26.
- c. Amount of request: \$920.
- d. Purpose for which funds requested are to be used: (Give here or on attached sheet, the itemized dollar breakout of proposed expenditures to be made from funds requested.)
- e. Reasons why necessary funds are not available locally: (Describe here or on attached sheet, the prevailing conditions and full justification for request.)

ROGER WASHINGTON  
CPT, AG  
Unit Fund Custodian

**Figure 11. Sample request for grant from the installation morale support fund**

(Appropriate Letterhead)

OFFICE SYMBOL (MARKS Number)

Date

MEMORANDUM FOR (Coordinating Installation and Address)

SUBJECT: Request for Unit Funds

1. Request payment of nonappropriated funds for morale, welfare, and recreation isolated unit fund dividends for 1st quarter, fiscal year 03, per military personnel strengths below:

	MONTH	MONTH	MONTH	
STRENGTH REPORT:	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>TOTAL</u>
FTS AGR				
Per Capita				
Total Dividends Due				

2. The point of contact is Mr. John Smith at e-mail john.smith@xxxx.army.mil, commercial (777) 555-1111, or DSN 333-1111.

/signed/

\_\_\_\_\_  
Fund Manager's Name and Signature Block

Figure 12. Sample request for unit funds

## **Appendix A**

### **References**

#### **Section I**

##### **Required Publications**

###### **AR 190-40**

Serious Incident Report. (Cited in para 5d(5).)

###### **AR 215-1**

Morale, Welfare, and Recreation Activities and Nonappropriated Fund Instrumentalities. (Cited in para 6h(1) and fig 11.)

###### **AR 600-8-22**

Military Awards. (Cited in para 4-b(4)(a).)

###### **AR 672-20**

Incentive Awards. (Cited in para 4-b(4)(a).)

###### **DOD 5500.7-R**

Joint Ethics Regulation. (Cited in para 4c(3).)

#### **Section II**

##### **Related Publication**

###### **AR 25-400-2**

The Modern Army Recordkeeping System (MARKS).

#### **Section III**

##### **Prescribed Forms**

###### **USAREC Form 897**

Cash, Property, and Reconciliation Record (CPRR). (Prescribed in paras 5b(2)(a)3, 5b(2)(b)5, 5b(2)(b)7, 5b(3), 5b(3)(d), 5b(3)(e), 5b(3)(f), 5b(5)(c), 5g, and fig 10.)

###### **USAREC Form 899**

Unit Fund Receipts, Expenditures, and Property Record. (Prescribed in para 5b(6).)

###### **USAREC Form 900**

Unit Fund Internal Control Checklist. (Prescribed in para 5d(2).)

#### **Section IV**

##### **Referenced Forms**

###### **DA Form 2107**

Nonappropriated Fund Receipt and Disbursement Voucher.

###### **DA Form 4078**

Property Control and Depreciation Record.

###### **SF 1094**

US Tax Exemption Certificate.

## **Glossary**

### **Section I Abbreviations**

#### **CI**

coordinating installation

#### **FY**

fiscal year

#### **IMWRF**

installation morale welfare recreation fund

#### **MWR**

morale, welfare, and recreation

#### **Rctg Bde**

recruiting brigade

#### **Rctg Bn**

recruiting battalion

#### **USAREC**

United States Army Recruiting Command

### **Section II Terms**

#### **isolated unit fund**

An Army unit is considered an isolated unit if:

- It is the only unit present at a separate military installation not authorized an IMWRF.
- It is assigned to a military installation that has an IMWRF, but the geographical location of the unit or the duties of the members of the unit are such as to preclude normal use of facilities financially supported by the IMWRF.

NOTE: Within USAREC, each Rctg Bn maintaining their own unit fund accounting records are considered to be isolated.

#### **members**

Individuals which are included in the strength computation.

#### **nonmembers**

Individuals who are not included in the strength computations.

NOTE: A military member of one Rctg Bn is considered as a nonmember to another Rctg Bn.

#### **unit fund council**

This council is comprised of individuals appointed, in writing, by Rctg Bn commanders to govern and direct the operations of unit funds. Sixty to ninety percent of the unit fund council should be enlisted members. The Rctg Bn executive officer normally acts as the president of the council.

#### **unit fund event**

This is a planned social function or activity intended primarily for military personnel, their families, and other authorized civilians.